

# Appendix 4D

## Half year report

Name of entity

<b>GRANGE RESOURCES LIMITED</b>
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ABN

80 009 132 405
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**Details of the reporting period and the previous corresponding period**

Current Reporting Period	The half year ending 30 June 2014
Previous Corresponding Reporting Period	The half year ending 30 June 2013

**Results for announcement to the market**

						6 months to 30 June 2013 (Restated) \$'000	6 months to 30 June 2014 \$'000
Revenues from ordinary activities	Up	21%	from	106,884	to	129,668	
Profit from ordinary activities after tax (before significant items) attributable to members	Up	n/m	from	9	to	24,382	
Profit for the period attributable to members	Down	n/m	from	9	to	(162,153)	

n/m = not meaningful

A commentary on the results for the current reporting period is contained within the interim financial statements that accompany this announcement. During the current period there were a number of significant items that had a material impact on the income statement of the consolidated entity as set out in the table below:

	6 months to 30 June 2014 \$'000
Underlying profit after tax	24,382
<u>Significant items (net of tax)</u>	
Settlement of deferred consideration <sup>1</sup>	20,757
Impairment of assets <sup>2</sup>	(207,292)
Statutory loss after tax	(162,153)

<sup>(1)</sup> Non-cash profit of \$20.7 million arising from the successful negotiation and settlement of a pre-merger deferred consideration obligation.

<sup>(2)</sup> Non-cash impairment of the carrying value of Savage River assets of \$296.1 million (\$207.3 million net of tax). The key driver of the impairment is lower than forecast iron ore prices arising from recent changes in the supply and demand dynamics of the market. Refer to Note 27 of the interim financial statements for more details.

#### **Dividend information**

The Directors have resolved to defer any decision on the payment of dividends for the year ended 31 December 2014 until February 2015. The decision will provide the Directors with additional time to assess the impact of the current iron ore market on the Company.

#### **Net tangible asset backing**

	30 June 2013 (Restated)	30 June 2014
Net tangible asset backing per ordinary security	\$0.57	\$0.42

#### **Details of entities over which control has been gained or lost during the period**

Not applicable.

#### **Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan**

Not applicable.

#### **Details of associates and joint venture entities**

##### *a) Details of associates*

Not applicable.

##### *b) Details of material joint ventures*

Name of unincorporated joint venture	Southdown Joint Venture
Ownership interest	70% economic interest

As previously announced, the Company is looking to sell at least a 30 per cent stake of the Group's 70 per cent interest in the Southdown Magnetite Project.

#### **For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards)**

The interim financial report for the six month period ended 30 June 2014 has been prepared in accordance with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

The Company has decided to voluntarily change its accounting policy for exploration and evaluation expenditure. Under the new policy, exploration and evaluation expenditure will be charged against the profit and loss as incurred. This change reflects the Group's primary activity which is mining operations and provides a higher degree of confidence as to the probability that future economic benefits will flow to the Group prior to the capitalisation of such costs. Refer to Notes 1 and 28 of the interim financial statements for more details.

**If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification**

Not applicable.

A handwritten signature in black ink, appearing to be 'Michelle Li', with a stylized 'M' and 'L'.

Michelle Li  
Chairman and Interim Executive Director  
Burnie, Tasmania  
29 August 2014